

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE NORTHERN DISTRICT OF CALIFORNIA

3 TESSERA, INC., No. C 05-4063 CW  
4 Plaintiff,

5 v.

6 ADVANCED MICRO DEVICES, INC.;  
7 SPANSION, LLC; SPANSION, INC;  
SPANSION TECHNOLOGY, INC.;  
8 ADVANCED SEMICONDUCTOR  
ENGINEERING, INC.; ASE (U.S.),  
9 INC.; CHIPMOS TECHNOLOGIES, INC.;  
CHIPMOS U.S.A., INC.; SILICONWARE  
10 PRECISION INDUSTRIES CO., LTD.;  
SILICONWARE USA, INC.;  
11 STMICROELECTRONICS N.V.;  
STMICROELECTRONICS, INC.; STATS  
12 CHIPPAC, INC.; STATS CHIPPAC  
(BVI), LTD.; and STATS CHIPPAC,  
13 LTD.,

14 Defendants.

15 AND ALL RELATED COUNTERCLAIMS /

16 /  
17 Defendants STMicroelectronics, Inc. and STMicroelectronics  
18 N.V. (collectively, ST Defendants) move for relief from an oral  
19 order issued by the Special Master on December 18, 2012, regarding  
20 ST Defendants' motion for partial reconsideration of the Special  
Master's November 19, 2012 order on their motion to compel further  
21 answers to certain interrogatories, for preclusion and for a  
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1 protective order. The Court considers Defendants' objections de  
2 novo and DENIES the motion (Docket No. 1140).<sup>1</sup>

3 ST Defendants seek relief from the Special Master's order on  
4 three bases. First, ST Defendants argue that the Special Master  
5 improperly "concluded that Tessera could proceed on" a purportedly  
6 unplead theory of breach of the license agreement between the  
7 parties. Objection 1. In the motion for partial reconsideration,  
8 ST Defendants asked that the Special Master "require Tessera to  
9 provide a proper response to Interrogatory No. 21 [subpart (i)] or  
10 alternatively, to preclude Tessera from presenting any breach of  
11 confidence theory in any dispositive motion or trial." Sandrock  
12 Decl., Ex. J, 5. ST Defendants argued that Tessera's  
13 interrogatory response was improper because it was overly  
14 voluminous and did not comply with California Code of Civil  
15 Procedure section 2019.210 or the Special Master's prior orders.  
16 Id. at 3-5. They sought preclusion as a sanction for the  
17 purported discovery violation. Id. at 5 (citing FormFactor, Inc.  
18 v. Micro-Probe, Inc., 2012 U.S. Dist. LEXIS 62233, at \*12-15 (N.D.  
19 Cal.)).

20 In their objection, ST Defendants argue that the Special  
21 Master erred by failing to preclude Tessera from proceeding on a  
22 breach of confidence theory because it was not properly plead or  
23 asserted in the case and Tessera did not seek leave to amend to  
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25 <sup>1</sup> Pursuant to the December 15, 2006 Order Appointing the  
26 Special Master and Civil Local Rule 72-2, unless otherwise ordered  
27 by the Court, "no response need be filed and no hearing will be  
28 held concerning the motion." ST Defendants request a hearing on  
the motion but provide no reason that one should be held. Having  
considered the papers filed by ST Defendants, the Court declines  
to require a response or set a hearing.

1 allege it. However, this was not what ST Defendants based their  
2 preclusion argument on before the Special Master, and the Special  
3 Master made no holding that the theory was properly plead,  
4 asserted or at issue in the case. Instead, he determined that the  
5 documents sought in Interrogatory No. 21(i) were not relevant to  
6 that theory.

7 Second, ST Defendants contend that the Special Master erred  
8 in concluding that California Code of Civil Procedure section  
9 2019.210 did not apply. Under section 2019.210, in "any action  
10 alleging the misappropriation of a trade secret under the Uniform  
11 Trade Secrets Act. . . , before commencing discovery relating to  
12 the trade secret, the party alleging the misappropriation shall  
13 identify the trade secret with reasonable particularity." ST  
14 Defendants argue that, because California law defines  
15 misappropriation to include "'disclosure or use of a trade secret  
16 of another without express or implied consent by a person who  
17 . . . at the time of disclosure or use, knew or had reason to know  
18 that his or her knowledge of the trade secret was . . . acquired  
19 under circumstances giving rise to a duty to maintain its secrecy  
20 or limit its use,'" some courts have found this section applicable  
21 "not only to theft of trade secrets but also to disclosure of  
22 [trade] secrets in violation of a nondisclosure agreement."

1       Neothermia Corp. v. Rubicor Med., Inc., 345 F. Supp. 2d 1042, 1044  
2 (N.D. Cal. 2004) (quoting Cal. Civ. Code § 3426.1(b)(2)(B)(ii)).<sup>2</sup>

3           ST Defendants argue that the Special Master erroneously found  
4 that section 2019.210 did not apply because he improperly  
5 concluded that Tessera could establish a breach of contract by  
6 showing that ST Defendants "transmitted a document marked as  
7 confidential to an unlicensed entity, even if the information  
8 contained therein was not confidential." Objection 3. ST  
9 Defendants argue that this was an unreasonable reading of the  
10 license agreement. While it is true that the Special Master  
11 stated that the claim as asserted by Tessera was not dependent on  
12 the material in fact being confidential--a term which appears to  
13 have been left undefined in the licensing agreement--and only on  
14 it being marked as such, the Special Master found that section  
15 2019.210 was not implicated because "trade secrets" were not at  
16 issue in this claim. Although here ST Defendants argue that  
17 Tessera must show that the material was in fact confidential, they  
18 have not presented any argument that Tessera must show that the  
19 information consisted of "trade secrets," a term that has a  
20 particular meaning in the context of this statute, or that this  
21 claim is based on an allegation that ST Defendants disclosed or  
22 misused Tessera's "trade secrets." See Cal. Civ. Code § 3426.1(d)

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25           <sup>2</sup> The Court notes that the Ninth Circuit has not resolved  
26 whether section 2019.210 applies in actions in federal courts and  
27 that district courts within California have reached different  
28 conclusions on its applicability. See SocialApps, LLC v. Zynga, Inc., 2012 U.S. Dist. LEXIS 82767, at \*4-6 (N.D. Cal.) (collecting cases). As discussed below, because ST Defendants did not provide the complete record necessary for review, it is not clear whether Tessera disputed the direct application of section 2019.210 in federal court.

1 (setting forth a definition of trade secret). Thus, ST  
2 Defendants' reliance on Neothermia is unavailing; in that case,  
3 the plaintiff asserted that the defendant had wrongfully disclosed  
4 its trade secrets in violation of a nondisclosure agreement. 345  
5 F. Supp. 2d at 1044.

6 Finally, ST Defendants contend that the Special Master erred  
7 in declining to strike topic two of Tessera's deposition notice,  
8 which provides, "Tessera Confidential Information that was in Your  
9 possession prior to transmission by Tessera, was received by You  
10 from [an] independent legal source, was independently developed by  
11 You, or entered the public domain through no fault of You."

12 Sandrock Decl., Ex. I, 6. Before the Special Master, ST  
13 Defendants argued that this topic should be stricken because it  
14 "is improper for Tessera to place the burden on the ST Defendants  
15 to identify what information is not confidential from among  
16 Tessera's overbroad list." Sandrock Decl., Ex. J, 5. Here, ST  
17 Defendants argue that "Topic 2 improperly shifts the burden to ST  
18 to identify what from among Tessera's mountain of allegedly  
19 confidential information was 'independently developed' or 'in the  
20 public domain.'" Objection, 5.

21 However, as the Special Master explained, this deposition  
22 topic does not contemplate ST Defendants' witness identifying what  
23 specific documents were or were not confidential or agreeing with  
24 Tessera that the documents it identified were actually  
25 confidential. Rather, it is directed to whether ST Defendants had  
26 the documents identified by Tessera, where or from whom they got  
27 them, and what they did with them. The Special Master recognized  
28 that ST Defendants' witness may not be able to answer specifically

1 as to each document, and would instead likely discuss the general  
2 procedures for handling the documents and whether they were  
3 complied with, and Tessera agreed that the witness would not need  
4 to be able to answer "a question of what happened to every single  
5 document." Sandrock Decl., Ex. M, 37:22-41:23. That ST  
6 Defendants might be asked about their acquisition or use of  
7 information that Tessera believes to confidential during a  
8 deposition does not shift to them the burden to prove any element  
9 of the claim.

10 In addition to the grounds set forth above, the Court denies  
11 ST Defendants' motion in its entirety for failure to comply with  
12 the December 15, 2006 order appointing the Special Master. That  
13 order provides that any party filing an objection or motion  
14 seeking review of the Special Master's order

15 shall submit with such objection or motion any record  
16 necessary for the Court to review the Special Master's  
17 order, report, and/or recommendation, including any  
18 transcripts of proceedings before the Special Master and  
19 any documents submitted by the parties in connection  
with the Special Master's order, report, and/or  
recommendation. Failure to provide the record shall  
constitute grounds for the Court to overrule the  
objection or deny the motion.

20 Docket No. 354, ¶ 6.3. During the hearing before the Special  
21 Master, multiple references were made to a letter brief filed by  
22 Tessera with the Special Master. See Sandrock Decl., Ex. M,  
23 34:5-36:16, 44:18-23. ST Defendants, however, have not provided  
24 the Court with Tessera's letter brief. Further, although ST  
25 Defendants seek relief from an order denying a motion for partial  
26 reconsideration of an earlier order, they have not provided any  
27 documents that the parties submitted to the Special Master in  
28 connection with the original order. ST Defendants have failed to

1 provide the record necessary for a full review. For this  
2 alternative reason, the Court denies their motion.

3 Accordingly, ST Defendants' motion for relief is DENIED  
4 (Docket No. 1140) and the Special Master's December 18, 2012 oral  
5 ruling is AFFIRMED.

6 IT IS SO ORDERED.

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8 Dated: 1/18/2013

  
CLAUDIA WILKEN  
United States District Judge